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## South Africa, Republic of

### Grain and Feed

### Update

### 2004

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**Report Highlights:**

South Africa's 2003 corn crop currently maturing is estimated at 7.7 million tons, about 2 million tons less than the previous crop. The decrease is due mainly to a market related cutback in area planted. With a 2 million ton plus carry over from the current season, the crop should be able to supply domestic needs and allow about one million tons of white corn exports. Yellow corn is in short supply and imports are likely to reach 700,000 tons in My04/05. Wheat production is expected to increase this year but import demand will stay high.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Unscheduled Report  
Pretoria [SF1]  
[SF]

**SUMMARY**

South Africa's 2003 corn crop is officially estimated at about 7.7 million tons compared to the 9.7 million tons produced in the previous season. The decline is mainly due to a 18% cutback in area planted brought about by poor price expectations. The rainy season usually starts in October and goes through April. In some areas the rainfall season started late and was followed by a December dry spell. Rainfall then improved in the first quarter of 2004. At this stage the crop estimate may be optimistic and 7.5 million tons may be a better indication of the current status of the crop.

Bolstered by an expected carry over of about 2.3 million tons at the end of April this year, supplies will however be sufficient to supply domestic needs of about 8.6 million tons and allow exports of about one million tons of white corn. Due to an anomaly in the product mix, yellow corn is in short supply. Imports are likely to reach about 400,000 tons in the current season and 700,000 tons in My04/05.

Indications are that wheat plantings from May this year will rebound to about 850,000 hectares after only 750,000 hectares were planted in 2003. This could produce a crop of about 1.95 million tons after only 1.47 million tons were produced this year. Import demand will however stay high with My 2003/04 imports expected to reach 1.2 million tons and My 2004/05 demand about 900,000 tons. Exports and re-exports generally amount to more than 300,000 tons.

This report also looks at the total cereals trade including rice.

[www.sagis.org.za](http://www.sagis.org.za)

[www.grainsa.co.za](http://www.grainsa.co.za)

[www.safex.co.za](http://www.safex.co.za)

[www.fews.net](http://www.fews.net)

[www.wfp.org](http://www.wfp.org)

[www.grains.org](http://www.grains.org)

[www.pecad.fas.usda.gov](http://www.pecad.fas.usda.gov)

**CEREALS****Trade**

South Africa's 2003 calendar year trade data compiled by the South African Revenue Service was released recently. The data is for the Southern African Customs Union, including South Africa and the BLNS countries, Botswana, Lesotho, Namibia and Swaziland. It shows that the region's grain trade balance is negative, with imports exceeding exports.

'000 Mt.	CY 2002	CY 2003
Grain Imports	2781	2206
Grain Exports	961	863
BOT	-1820	-1343

Weekly import and export data for both wheat and corn are available on the South African Grain Information Service (SAGIS) website, [www.sagis.org.za](http://www.sagis.org.za)

**Imports**

The main regular imports are rice and wheat, with corn imports more irregular. The following table contains the details:

Imports: Mt.	CY 2001	CY 2002	CY 2003	%
Rice	540,465	747,861	790,802	36%
Wheat	252,899	657,696	701,433	31%
Corn	109,264	1,055,355	514,164	23%
Barley	144,715	196,387	109,131	5%
Sorghum	401	66,807	42,009	2%
Oats	24,438	24,481	19,460	1%
Durum	80,333	27,178	20,339	1%
Others	1,398	5,189	9,049	1%
TOTAL	1,153,913	2,780,954	2,206,387	

Due to the dominance of rice in the imports, Thailand shows up as the main supplier, followed by the US, mainly wheat and corn, India, mainly rice, and Argentina, mainly corn.

Imports: Mt.	CY 2001	CY 2002	CY 2003	%
Thailand	343,702	357,262	390,076	18%
United States	74,421	649,817	385,563	17%
India	81,209	286,733	316,633	14%
Argentina	268,185	387,221	265,499	12%
China	732	190,129	259,893	12%
Germany	0	101,617	151,859	7%
Australia	189,680	187,311	61,475	3%
Canada	26,814	134,962	60,376	3%
Poland	0	55,659	59,750	3%
Kazakhstan	0	116,300	54,000	2%
Brazil	60,882	124,195	18,185	1%
Others	108,288	189,748	183,078	8%
TOTAL	1,153,913	2,780,954	2,206,387	

## Exports

Corn is the main export outside the Southern African Region. Sales to the BLNS countries are not shown. Some of the exports recorded are re-exports moving through the South African transport system.

Exports Mt.	CY 2002	CY 2003
Corn	774,865	789,764
Wheat	164,432	56,838
Rice	18,872	12,721
Others	2,937	3,206
Total	961,106	862,529

Excluding the BLNS countries the main export destinations are shown in the following table. It is noticeable that with the advent of the free market system regional exports increased and unprofitable overseas exports diminished.

Exports Mt.	CY 2002	CY 2003
Zimbabwe	450,717	498,656
Zambia	284,649	107,408
Mozambique	25,627	89,751
Kenya	449	49,826
Japan	75,378	27,100
Angola	4,943	25,612
Tanzania	54	23,363
Congo	17,027	4,860
Malawi	77,918	1,344
Others	24,344	34,609
Total	961,106	862,529

**CORN**

Country	South	Africa		2003		2004		Forecast	
Commodity	Corn		2002		Estimate		2004		Forecast
'000 ha.	2002	Revised	2003	Estimate	2004	Forecast			
'000 mt.	USDA [Old]	Post [New]							
Market Year Begin	05/2003		05/2004		05/2005				
Area Harvested	3650	3650	2950	3005	0	3300			
Beginning Stocks	1943	1945	2118	2260	468	1010			
Production	9675	9675	7500	7670	0	9300			
TOTAL Mkt. Yr. Imports	250	400	550	700	0	300			
Oct-Sep Imports	617	617	500	750	0	950			
Oct-Sep Import U.S.	21	21	0	0	0	0			
TOTAL SUPPLY	11868	12020	10168	10630	468	10610			
TOTAL Mkt. Yr. Exports	1100	1150	1000	1000	0	1000			
Oct-Sep Exports	1141	1141	900	850	0	950			
Feed Dom. Consumption	4100	4050	4100	4100	0	4125			
TOTAL Dom. Consumption	8650	8610	8700	8620	0	8650			
Ending Stocks	2118	2260	468	1010	0	960			
TOTAL DISTRIBUTION	11868	12020	10168	10630	0	10610			

**Production**

The second official estimate of South Africa's 2003 corn crop was released on March 19, 2004 (2003 referring to the year of planting). The total crop is estimated at about 7.7 million tons, 21% less than the 9.7 million 2002 crop. The total area planted declined by 17.6% due to a combination of market and weather factors. As a result of a late start to the rainy season, and a December/January dry spell, the average yield is also expected to decline by about 4%. Since the first estimate was made on February 19, rainfall has improved considerably and the second estimate shows an increase of 650,000 tons, or 9% on the initial estimate. At this stage the main concern is early frost as many fields were planted late. The 2<sup>nd</sup> estimate follows:

Crop	FAS 2002	MY 03/04		FAS 2003	MY 04/05	
Corn	Area	Yield	Production	Area	Yield	Production
Commercial	'000 ha.	Mt./ha.	'000 mt.	'000 ha.	Mt./ha	'000 mt.
White	2232	2.85	6366	1728	2.64	4556
Yellow	953	3.17	3026	918	3.15	2893
Total	3185	2.95	9391	2645	2.82	7448
Developing						
White	368	0.60	221	282	0.60	168
Yellow	98	0.66	65	79	0.71	56
Total	466	0.61	286	361	0.62	224
Total corn						
White	2600	2.53	6587	2010	2.35	4724
Yellow	1418	2.18	3091	997	2.96	2949
Total	3651	2.65	9678	3006	2.55	7672

The crop in the developing sector is still estimated at about 224,000 tons compared to 286,000 tons last season.

The commercial crop estimate is the important factor in the supply and distribution. The 17% or 540,000 ha. decline in area planted compared to the previous season obviously had the major effect on the potential crop, as the average yield expected only decreased by 4.4%. The decision to cut back the planted area was mainly a marketing decision based on poor price expectations although the late rains in some areas strengthened this position.

The following table compares the average crop for the past five seasons to the first and second estimates:

5 year average	FAS 98 to 02	Rounded	
	Area '000 ha.	Yield Mt./ha.	Production '000 Mt.
White	1900 (1902)	2.9	5600 (5570)
Yellow	1100 (1107)	3.2	3500 (3525)
Total	3000 (3005)	3.0	9100 (9095)
FAS 2003 1 <sup>st</sup> est.			
White	1725	2.4	4170
Yellow	910	2.9	2630
Total	2635	2.6	6800
FAS 2003 2 <sup>nd</sup> est.			
White	1727	2.6	4557
Yellow	918	3.2	2893
Total	2645	2.8	7450

The expected average yields do not reflect the hot and dry weather suffered earlier in the season, which affected the early plantings. Late plantings constitutes a big portion of the crop and a high percentage of the crop is still maturing. The latest 2003 estimate shows that the expected yields in Mpumalanga are actually better than last season. As expected, yields in the other two main production areas of the Free State and the North-West Province, are expected to decline.

	FAS 2002			FAS 2003		
	Area	Yield	Prod.	Area	Yield	Prod.
	'000 ha.	Mt/ha.	'000 mt.	'000 ha.	Mt/ha.	'000 mt.
Free State						
white	805	3.12	2515	620	2.55	1581
yellow	310	2.65	822	310	2.50	775
Mpumal.						
white	280	3.48	975	250	3.50	875
yellow	280	3.24	908	260	3.25	845
North-W						
White	960	2.22	2135	725	1.28	925
Yellow	210	2.22	466	200	2.25	450

### Consumption

Commercial deliveries, that is corn delivered to the silos according to the South African Grain Information Service (SAGIS), forms the basis of the commercial supply and distribution.

The quantity of corn produced and consumed outside the formal trading environment is small and estimated as actual figures similar to the delivery figures does not exist. This amounted to the crop in the developing sector, 286,000 tons and commercial farm retentions, 425,000 tons, to total 711,000 tons in My 03/04 and an expected 624,000 tons in My 04/05, or less than 9% of the total consumption. It includes corn eaten fresh, used for silage, used for on farm feeding, or fields not harvested but grazed.

To correlate the commercial S&D with a specific crop we use the March to February deliveries and not the formal May to April marketing year. The March and April deliveries are then deducted from the May 1 carry over and added to the new season's deliveries.

The current and forecasted commercial PS&D's are summarized below:

FAS 2002	My 2003/04	March /February	
'000 Metric tons	White	Yellow	Total corn
Beginning stocks	1265	680	1945
Crop estimate	6365	3025	9390
Deliveries	6195	2770	8965
Farm retentions	170	255	425
Imports	0	400	400
Total Supply	7460	3850	11310
Exports, whole grain	1050	100	1150
Dom. Disappearance	4500*	3400	7900
Ending stocks	1910	350	2260

\*Including an additional 300,000 tons of white corn used for feed.

FAS 2003 estimate	My 2004/05		
'000 Metric tons	White	Yellow	Total
B/Stocks	1910	350	2260
Crop est.	4555	2895	7450
Delivery est.	4405	2645	7050
Farm retentions	150	250	400
Imports	0	700	700
Total supply	6315	3695	10010
Exports, whole grain	950	50	1000
Dom. Disappearance	4550*	3450	8000
Ending stocks	815	195	1010

FAS 2004 forecast	My 2005/06		
'000 Metric tons	White	Yellow	Total
B/Stocks	815	195	1010
Crop Forecast	5600	3500	9100
Deliveries	5450	3250	8700
Farm retentions	150	250	400
Imports	0	300	300
Total supply	6265	3745	10010
Exports	950	50	1000
Dom. Disappearance	4575*	3475	8050
Ending Stocks	740	220	960

## Trade

The corn exports shown in the trade matrix are from the South African Revenue Service (SARS) as used by the World Trade Atlas but are for the customs union excluding sales to the BLNS countries as reported before. The SAGIS figures contain all exports and by simple deduction we can calculate sales to the BLNS countries. SAGIS now publishes exports by destination and as soon as we have a full year's data we will be able to test the hypotheses. The high figures for 2000 and 2001 probably included quantities going to Zimbabwe and Zambia through Botswana.

Corn Exports	CY 2000	CY 2001	CY 2002	CY 2003
Zimbabwe	4	1	429	476
Mozambique	54	43	25	81
Zambia	1	20	156	71
Kenya	na	20	0	50
Japan	197	424	75	27
Angola	21	20	4	25
Malawi	0	49	50	1
Others	367	54	36	59
SARS Total	644	613	775	790
BLNS est.	762	718	371	398
SAGIS Total	1406	1331	1146	1188

## Export Trade Matrix

<b>Country</b>	South	Africa		
<b>Commodity</b>	Corn			
Time Period	CY	Units:	000 mt.	
Exports for:	2002		2003	
U.S.	0	U.S.	0	
Others		Others		
Zimbabwe	429	Zimbabwe	476	
Mozambique	25	Mozambique	81	
Zambia	156	Zambia	71	
Kenya	0	Kenya	50	
Japan	75	Japan	27	
Angola	4	Angola	25	
Tanzania	0	Tanzania	23	
Cape Verde	0	Cape Verde	9	
Liberia	0	Liberia	7	
Total for Others	689		769	
Others not Listed	86		21	
Grand Total	775		790	

The import trade matrix contains some imports for re-export.

**Import Trade Matrix**

Country	South	Africa	
<b>Commodity</b>	Corn		
Time Period	CY	Units:	000 mt.
Imports for:	2002		<b>2003</b>
U.S.	469	U.S.	33
Others	Others		
China	186	China	251
Argentina	218	Argentina	209
Brazil	124	Brazil	18
Total for Others	528		478
Others not Listed	58		3
Grand Total	1055		514

**WHEAT**

Country	South		Africa		2003		2004		Forecast	
	Wheat		Wheat		Estimate		Estimate		Estimate	
Commodity	2002	Revised	2003	Estimate	2004	Forecast				
1000 ha.	USDA [Old]	Post [New]								
1000 mt.	10/2002		10/2003		10/2004					
Market Year Begin	10/2002		10/2003		10/2004					
Area Harvested	941	941	748	748	0	851				
Beginning Stocks	587	588	898	897	576	595				
Production	2320	2387	1428	1473	0	1945				
TOTAL Mkt. Yr. Imports	871	870	1200	1200	0	900				
Jul-Jun Imports	1024	1018	1200	1200	0	85				
Jul-Jun Import U.S.	63	63	0	600	0	0				
TOTAL SUPPLY	3778	3845	3526	3570	576	3440				
TOTAL Mkt. Yr. Exports	310	310	300	320	0	325				
Jul-Jun Exports	331	328	300	320	0	300				
Feed Dom. Consumption	10	12	10	10	0	10				
TOTAL Dom. Consumption	2570	2638	2650	2655	0	2665				
Ending Stocks	898	897	576	595	0	450				
TOTAL DISTRIBUTION	3778	3845	3526	3570	0	3440				

**Production**

A survey undertaken by the Dept. of Agriculture at the end of February gives an early indication of 2004 planting intentions for wheat. The survey shows that producers intend to increase the area planted by 103,200 ha. (13.8%), to 851,200 hectares. The main areas are: the Free State, with 378,000 ha. (44.4%), followed by the Western Cape with 352,000 ha. (41.4%). The area under irrigation is estimated at 12%. The 851,000 ha. is likely to produce a crop of about 1.95 million tons under normal conditions. The survey was done before recent good rains improved soil moisture conditions in the Free State. This could lead to a further increase in the area planted.

The final estimate of the 2003 crop was 1.443 million tons but deliveries has surpassed this and the final figure is likely to reach about 1.473 million tons.

**Trade**

South Africa imports wheat and exports wheat and flour. In addition, there are imports for neighboring countries moving through the local infrastructure. Both the weekly and monthly imports and exports are available on the SAGIS website. The following table highlights the situation for October 03 to March 19, 04 as supplied by SAGIS:

IMPORTS, mt.	For South Africa	For neighbors	Total
Oct.03 to March 19,04			
From USA	291,546	96,365	387,911
Canada	0	13,586	13,586
Germany	12,199	3,873	16,072
United Kingdom	22,420	0	22,420
Australia	151,951	0	151,951
Argentina	26,430	2,000	28,430
Total:	504,546	115,824	620,370

EXPORTS, mt.	Whole grain	Flour	Total
Botswana	62,093		
Lesotho	48,770		
Swaziland	16,398		
Zimbabwe	13,589		
Zambia	15,987		
Namibia	5,931		
Total	162,768	9,000	171,768

The trade matrices are on a calendar year basis and the SARS import figures correlates well with the SAGIS figures for imports for South Africa only, but does not show imports for re-export

2002	Imports	SAGIS		2003	Imports		
1000 mt	For SA	For export	Total	1000 mt	For SA	For export	Total
January	65	0	65	Jan.	157	19	176
February	45	28	73	Feb.	55	5	60
March	36	41	77	March	115	12	127
April	49	16	65	April	100	1	101
May	17	3	20	May	32	6	38
June	25	19	44	June	0	0	0
July	31	13	44	July	0	0	0
August	52	0	52	Aug.	0	6	6
Sept.	65	20	85	Sept.	21	0	21
October	138	16	154	Oct.	73	27	100
Nov.	51	3	54	Nov.	52	30	82
Dec.	78	55	133	Dec.	100	32	132
TOTAL	652	214	866	Total	705	138	843

### Import Trade Matrix

<b>Country</b>	South Africa		
<b>Commodity</b>	Wheat		
Time Period	Jan-Dec	Units:	Mt.
Imports for:	2002		<b>2003</b>
U.S.	68752	U.S.	230327
Others	Others		
Germany	101294	Germany	151818
Ukraine	20382	Ukraine	66765
Poland	55659	Poland	59750
Kazakhstan	116300	Kazakhstan	54000
Argentina	140390	Argentina	49275
Russia	0	Russia	33000
U.K.	24742	U.K.	22500
Australia	21999	Australia	21999
Total for Others	480766		459107
Others not Listed	108178		11999
Grand Total	657696		701433

The export figures from SARS, however, does not seem to correlate with anything.

Exports	2002	1000 mt	SAGIS	Exports	2003	1000 mt	SAGIS
Flour	SA wheat	Re - export	Total	Flour	SA wheat	Re - export	Total
7	11	8	26	3	2	20	25
4	7	17	28	3	15	35	53
8	11	21	40	4	19	4	27
8	6	27	41	4	22	8	34
6	7	16	29	1	17	3	21
6	3	9	18	2	11	6	19
6	7	24	37	2	15	1	18
6	5	13	24	2	18	4	24
3	8	12	23	3	15	2	20
9	3	20	32	2	4	20	26
4	1	7	12	1	6	21	28
4	0	21	25	2	16	16	34
71	69	195	335	29	160	140	329

<b>Country</b>	South Africa,	
<b>Commodity</b>	Wheat	
Time Period	Jan-Dec	Units: Mt.
Exports for:	2002	2003
U.S.	0	0
Others	Others	
Zambia	119215	Zambia 30757
Zimbabwe	17444	Zimbabwe 17410
Mozambique	15	Mozambique 8301
Malawi	27401	Malawi 300
Total for Others	164075	56768
Others not Listed	357	70
Grand Total	164432	56838

## RICE

Country	South		Africa		2003		2004		Forecast	
	Rice,		Milled		Estimate		USDA		Post [New]	
Commodity	2002	Revised	2003	Estimate	2004	Forecast	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	01/2002		01/2003		01/2004					
Area Harvested	0	0	0	0	0	0				
Beginning Stocks	41	41	180	0	195	0				
Milled Production	0	0	0	0	0	0				
Rough Production	0	0	0	0	0	0				
MILLING RATE (.9999)	0	0	0	0	0	0				
TOTAL Imports	800	748	725	791	0	800				
Jan-Dec Imports	725	748	650	791	0	800				
Jan-Dec Import U.S.	0	75	0	70	0	75				
TOTAL SUPPLY	841	789	905	791	195	800				
TOTAL Exports	11	19	10	13	0	15				
Jan-Dec Exports	10	19	10	13	0	15				
TOTAL Dom. Consumption	650	770	700	778	0	785				
Ending Stocks	180	0	195	0	0	0				
TOTAL DISTRIBUTION	841	789	905	791	0	800				

South Africa does not produce rice and the PS&D is based on imports and exports. The trade data from the World Trade Atlas is for the Customs Union including the BLNS countries and the consumption data thus also includes them.

### Import Trade Matrix

Country	South Africa	
Commodity	Rice, Milled	
Time Period	Jan-Dec	Units: Mt.
Imports for:	2002	2003
U.S.	74538	69744
Others	Others	
Thailand	357262	390075
India	286519	316152
Uruguay	20160	2839
Total for Others	663941	709066
Others not Listed	9382	11992
Grand Total	747861	790802

**Export Trade Matrix**

<b>Country</b>	South Africa		
<b>Commodity</b>	Rice, Milled		
Time Period	Jan-Dec	Units:	Mt.
Exports for:	2002		<b>2003</b>
U.S.	0	U.S.	0
Others	Others		
Zambia	9009	Zambia	5632
Zimbabwe	2994	Zimbabwe	4020
Congo	5014	Congo	1329
Mozambique	703	Mozambique	701
Angola	332	Angola	421
Total for Others	18052		12103
Others not Listed	820		618
Grand Total	18872		12721